

## **Management Agreement Schedules**

- Schedule 1. Key Documents
- Schedule 2. Services
- Schedule 3. Service Transfer Agreement Template
- Schedule 4. ICT Protocol
- Schedule 5. Meeting Protocol
- Schedule 6. Financial Arrangements
- Schedule 7. Development Schedule
- Schedule 8. Operational Protocol

### **Annexes**

- Annex 1. Business Plan Format

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### **Schedule One - Key Documents**

- 1) Business Plan
- 2) Lewisham Homes Standing Orders and Financial Regulations
- 3) Audited Accounts of Lewisham Homes
- 4) Asset Management Strategy
- 5) Customer Services Strategy
- 6) Community Engagement Strategy
- 7) Equality and Diversity Strategy

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## **Schedule Two – Schedule of Services**

### **Part I – Current Services**

#### **New Tenancies**

- 1) Notification to and signing of new tenants
- 2) Granting of new tenancies
- 3) Successions
- 4) Mutual Exchange Management

#### **Repairs and Maintenance**

- 1) Stock condition
- 2) Response repairs
- 3) Planned maintenance
- 4) Modernisation and improvements
- 5) Energy efficiency

#### **Void and Empty Property Management**

- 1) Terminations
- 2) Inspection and repairs
- 3) Major repairs

#### **Tenancy Management**

- 1) Estate Management
- 2) Enforcement of Tenancy Conditions
- 3) Illegal occupation
- 4) Evictions and Court action to support enforcement
- 5) Responsibility for Anti -Social Behaviour Orders
- 6) Requests for Anti-Social Behaviour Orders
- 7) Subletting
- 8) Consent to improvements by tenant
- 9) Statement for reasons for refusal of improvements
- 10) Introductory tenancies
- 11) Approve decoration allowances

#### **Estate Management**

- 1) Caretaking Housing Schemes
- 2) Grass cutting/ ground maintenance

#### **Home Energy Conservation Act Implementation**

#### **Right to Buy**

- 1) Administration and calculation of discount

### **Leasehold Management**

- 1) Leasehold invoicing
- 2) Service charges

### **Finance**

- 1) Rent collection
- 2) Recovery of arrears
- 3) Recovery of other charges
- 4) Financial Returns
- 5) Financial Management
- 6) Repairs and Maintenance monitoring of finances
- 7) Budget preparation for fee
- 8) Budget Preparation for Repairs and Maintenance

### **Procurement**

- 1) Policy
- 2) Letting of contracts in relation to delegated activities

### **Tenant Involvement**

- 1) Tenant association development
- 2) Information to tenants
- 3) Reports to tenants

### **Other Assets**

- 1) Garages
- 2) Shops and Buildings
- 3) Estate offices
- 4) Tenant Resource Centres or Tenant Offices
- 5) Meeting rooms

### **Housing Land and other assets**

- 1) Housing land and property acquired for the purpose of providing temporary accommodation

### **Supported Housing**

- 1) Homeless Accommodation (shared function)
- 2) Temporary Accommodation (shared function)

### **Clearance and Disposal of Dwellings**

- 1) Clearance
- 2) Consultation
- 3) Decanting tenants

**Part II – Proposed Future Services\* [indicative dates to be inserted]**

Professional Services procurement in respect of managed budgets

Asset Management procurement in respect of managed budgets

New Build procurement in respect of managed budgets

Lumber Collection and Bulk Refuse

Street Sweeping on Housing Estate Roads

Private Sector leasing

Hostels

Community Centres

Commercial Aerial Leases

Pest Control

ICT – Housing Management Application

Sheltered Housing

\*Prior to the formal delegation of any Proposed Future Services by the Council to Lewisham Homes, the parties shall agree the terms on which it shall be transferred in a Service Transfer Agreement. Dates against each of the Proposed Future Services are indicative transfer dates only. □

**Schedule Three – Service Transfer Agreement Template**

**To be negotiated**

## Schedule 4

### ICT DATA PROTOCOL BETWEEN LONDON BOROUGH OF LEWISHAM AND LEWISHAM HOMES

#### 1. SUMMARY

- 1.1 This Protocol is to be used in conjunction with the London Borough of Lewisham (Council) and Lewisham Homes (LH) Agreement for Housing Management and Other Services 2016 (MA) and subject to any variations agreed under 8 below, covers the lifetime of the MA. The original MA was first implemented in 2007 and put in place in pursuant to Section 27 of the Housing Act 1985, with the approval of the Secretary of State and pursuant also to Section 2 of the Local Government Act.
- 1.2 LH is an Arm's Length Organisation (ALMO), which is 100% owned by the Council, and has been given delegated responsibility by the Council for housing management and other services. The Council remains the legal landlord for the tenants.
- 1.3 A cost benefits analysis was carried out in 2013 which identified cost savings would be made by LH in separating from the Council ICT network and implementing its own isolated ICT secure network. This separation was approved in 2014. Following implementation of the LH secure network, which is classified up to "Official", a secure interconnection to the Council secure network was put in place to facilitate access to applications that sit either side of the interconnection.
- 1.4 This Protocol between the Council and LH sets out the agreed procedures that will be followed and the safeguards put in place to ensure that access to data held either by the Council or LH is done so in a secure manner and complies with the privacy requirements embodied in the Data Protection Act 1998 (DPA) and as far as possible with ISO/IEC 27000 Standards, the key standard in the series, ISO/IEC 27001.

#### 2. USE OF COMPUTER SYSTEMS

The Council and LH shall:

- 2.1 only use the other parties computer systems that are relevant to, and in connection with, the provision of the Services and shall ensure that their staff do likewise;
- 2.2 keep their respective computer systems in good repair, condition and working order and comply with all manufacturers' and mandatory operational requirements;
- 2.3 notify the other party, without delay, if any part of their computer system, used in conjunction with the provision of Services, is lost, stolen, destroyed or damaged beyond economical repair;

- 2.4 comply with all statutory requirements (including but not limited to the DPA 1998 and Computer Misuse Act 1990), byelaws and regulations;
- 2.5 be wholly responsible for the proper and adequate security of the computer systems they manage.
- 2.6 notify the other party in good time of any:
  - 2.6.1 planned system upgrades.
  - 2.6.2 new modules being implemented.
  - 2.6.3 new development requests.
- 2.7 Notify and involve the other party in good time of any proposal to review or procure new IT systems that support the primary functions of housing management and other services as outlined in the MA. Any such exercise will be led and project managed by the majority user of the system under review. It shall be the responsibility of the other party i.e. the informed party to decide on their level of involvement in the process.

### **3. USE OF COMPUTER SOFTWARE**

The Council or LH shall;

- 3.1 in relation to this MA use computer software, whether their own or the other parties, that is relevant to, and in connection with, the provision of the Services and shall ensure that their Staff do likewise;
- 3.2 use either the Council or LH software in a skilful, careful and proper manner in accordance with manufacturers operating instructions.
- 3.3 not use or allow or permit to be used the Council's or LH's software in such manner as to be a danger, nuisance, annoyance or disturbance to the Council, LH or to third parties.
- 3.4 ensure that its staff operating or using any of the Council's or LHs computer systems and software are at all times.
  - 3.4.1 suitably and sufficiently qualified competent and careful; and
  - 3.4.2 properly instructed and supervised to operate or use the computer systems and software

### **4. USE OF DATA**

- 4.1 To enable housing services to be provided it is stipulated in Clauses 21<sup>1</sup> and 27<sup>2</sup> of the MA that the Council and LH are entitled to access such data and information which they may require in order to provide services and to ensure that statutory obligations are met.

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<sup>1</sup> MA Clause 21 - Data

<sup>2</sup> MA Clause 27 - Provision of Information



- 4.2 Clauses 22<sup>3</sup> and 23<sup>4</sup> of the MA covers the responsibilities on the Council and LH to ensure compliance with the DPA and to maintain confidentiality when using council data.
- 4.3 Signatories to this Protocol are to ensure compliance with 4.1 and 4.2 and that access to such data goes unhindered and that access, by appropriate Council or LH staff, is managed by respective application owners supported by the Council or LH ICT as appropriate.
- 4.4 If information, where both parties are joint data controllers, is to be shared with other external agencies then this must be agreed by the Senior Responsible Officers of the Council and LH as identified in 8.2 and 8.3 below or their nominated representatives.

## **5. TERMS OF ACCESSING PERSONAL DATA**

- 5.1 As articulated in Clauses 21<sup>5</sup> and 22<sup>6</sup> of the MA both the Council and LH will deal with personal data in a manner which is compliant with the Data Protection Act 1998 and ensure that all personal data and sensitive personal data processed pursuant to this Protocol is:
- 5.1.1 kept secure at all times;
  - 5.1.2 accessed appropriately;
  - 5.1.3 used only for its intended purpose;
  - 5.1.4 not disseminated or published in any way that might reveal private information relating to identifiable individuals unless required by law.
  - 5.1.5 only electronically accessible between the Council and LH via secure connectivity, see para 7.
- 5.2 The Council and LH Senior Information Risk Owners will ensure that their staff, know, understand and maintain the confidentiality and disclosure requirements outlined in this Protocol.
- 5.3 The Council and LH will implement retention periods for the data they are the Data Controller for and will be responsible for information security.
- 5.4 Personal data will not be released externally outside of the Council or LH and its contractors, unless it is a legal or statutory requirement, and in the case of sensitive personal data not without the express consent of the data subject.
- 5.5 The Council and LH will ensure its contractors comply with the following conditions, and do so in compliance with the Data Protection Act:

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<sup>3</sup> MA Clause 22 - Data Protection

<sup>4</sup> MA Clause 23 - Confidentiality

<sup>5</sup> MA Clause 21 - Data

<sup>6</sup> MA Clause 22 - Data Protection

- 5.5.1 Do not use any personal data apart from its contractual obligations.
- 5.5.2 Maintain the security of the personal data.
- 5.5.3 Not to use access to personal data for personal or commercial advantage.
- 5.6 The Council and LH respective ICT teams will notify their counterpart of any changes to access permissions due to staff changes.

## **6. REQUEST FOR INFORMATION**

- 6.1 The Council and LH are both subject to the provisions of the DPA, Freedom of Information Act, Human Rights Act 1998 and the Environmental Information Regulations and shall assist and co-operate with each other to enable each other to comply with their respective statutory duties in relation to Requests for Information.
- 6.2 Where a Party receives a Request for Information pertaining to the subject matter or operation of this Protocol and:
  - 6.2.1 is the Data Controller for the information requested shall respond accordingly.
  - 6.2.2 Is not the Data Controller for the requested information will pass the request across to the other party within 2 working days.

## **7. Network Interconnect**

- 7.1 The secure interconnection between the isolated Council and the isolated LH networks is via a restricted VPN tunnel, created over the internet (IPSec Site to Site (LH to the Council)), and is available 24 hours per day.
- 7.2 User access to applications that reside on the opposite network is by logging into their own respective network first and then accessing the appropriate application (if they have access rights) residing on the other network by logging into the application using their application user name and password provided to them by the respective asset/key system owner.
- 7.3 The Council and LH agree that, if they make an onward connection to any other network then such a connection must be subject to a similar Protocol that will ensure the network security baseline.
- 7.4 Each party is responsible for the security of its own systems from the demarcation point onwards with regular IT health checks to be carried out to ensure the integrity of the network.
- 7.5 Should a serious security incident occur, e.g. a virus infection, it is expected that the Party must consider disconnecting from the other party's system to prevent the spread of any infection.
- 7.6 The Council and LH agree to share information pertaining to threats and vulnerabilities that may interfere with each other's systems.

7.7 The Council and LH agree that remote access to their respective networks will only be allowed via 2FA<sup>7</sup>.

7.8 When the network interconnect between the Council and LH is no longer required that all access permissions will be disabled and the interconnection between sites will be disabled within agreed timescales.

## **8. REPRESENTATIVES**

8.1 The Council and LH will each appoint a Senior Responsible Officer and a representative to be the primary point of contact in all matters relating to this Protocol:

8.2 For LH:

8.2.1 The Senior Responsible Officer will be the LH Senior Information Risk Owner and the representative will be the Head of ICT.

8.3 For THE COUNCIL

8.3.1 Senior Responsible Officer will be the ++++++ and the representative will be \*\*\*\*\*

8.4 This Protocol will be reviewed at regular intervals including when substantial revisions to the MA are agreed, or in the event of a council data breach or when required following a change in the law. All changes must be agreed in writing between the respective parties' Senior Responsible Officers.

## **9. LOSS AND UNAUTHORISED RELEASE**

9.1 The Council and LH will report to the other any loss or unauthorised release of data, as soon as possible, or no later than 24 hours after the loss or unauthorised release.

9.2 Any loss or unauthorised release of data in relation to the Services provided will need to be investigated by the relevant Data Controller. Existing departmental data incident processes and reporting will be utilised.

## **10. DISPUTE**

10.1 Any dispute arising from a breach of the terms of this Protocol will, in the first instance, be addressed by immediate discussions between the respective Senior Responsible Officers and their colleagues. Unresolved issues will be escalated to respective SIROs to be addressed.

10.2 Any disputes arising concerning this Protocol will be resolved initially by discussions between the Council and LH and the event that these discussions do not resolve the dispute Clause 60 (Dispute Resolution) of the MA shall apply to this Protocol.

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<sup>7</sup> 2FA - Two Factor Authentication – identification of users by means of the combination of two different components.

**11. STATUTORY COMPLIANCE**

**11.1** The Parties shall comply with all relevant legislation, regulations, orders, and statutory instruments as amended or re-enacted in relation to the subject matter of this Protocol

**SIGNED** for and on behalf of

**Lewisham Borough of Lewisham**

**Lewisham Homes**

By:

By:

Name:

Name:

Role:

Role:

Date:

Date:

## **Schedule 5 – Meetings Protocol**

### **1. Application of Meeting Protocol**

- 1.1. This Meeting Protocol shall apply to all meetings held between the Council and the Organisation in accordance with the schedule of meetings referred to in Clause 52 of the Management Agreement (the Meeting Schedule).
- 1.2. The terms of this Protocol may be varied by agreement between the parties from time to time.

### **2. Frequency of Meetings**

- 2.1. Until such time as the parties agree otherwise, clienting meetings shall be held monthly unless otherwise agreed.
- 2.2. The frequency of all other meetings shall be agreed between the parties and set out in the Meeting Schedule.

### **3. Administration of Meetings**

- 3.1. A nominated meeting administrator shall be responsible for ensuring a reminder is sent out to all attendees and any other interested parties of which they are notified 4 weeks prior to the meeting.
- 3.2. Any reports to be presented at the meeting must be finalised and submitted no later than 7 working days before the meeting.
- 3.3. Papers for the meeting must be dispatched no later than 5 working days before the meeting.
- 3.4. The nominated meeting administrator shall be responsible for maintaining a forward plan containing scheduled discussion items. This Forward Plan will be a standing item on each meeting agenda and reviewed at each meeting.

### **4. Minuting Meetings**

- 4.1. Minutes of the meeting shall contain a full record of:
  - 4.1.1. all decisions from the meeting and the basis of the authority of the decision makers.
  - 4.1.2. all matters arising together with details of the named officer responsible for responding.
- 4.2. Draft minutes shall be circulated within 7 days of the meeting and shall be taken as agreed unless clarification or correction is requested within 14 days of the meeting in which case the minute taker shall be responsible for obtaining agreement to any required changes from the parties.

## **Schedule Six - Financial Arrangements**

### **Budget Setting**

- Lewisham Homes will prepare budget forecasts for managed budgets in accordance with timescales and processes agreed with the Council as part of the preparation plan.
- Lewisham Homes will prepare its own budget forecasts to ensure that the company remains financially viable within the constraints of its Management Fee and other income streams
- Lewisham Homes will ensure that its resource planning enables it to meet its obligations as contained in the Management Agreement and Business Plan.

### **Financial Monitoring**

- Lewisham Homes will provide monitoring forecasts to the Council on a quarterly basis in accordance with a timeline to be agreed with the Council.
- Financial monitoring forecasts will be provided for managed budgets and for Lewisham Homes company and trading account activities

### **Final Accounts**

- Lewisham Homes will prepare returns for all managed budgets in accordance with the Council's final accounts planning timelines and accounting policy and procedure guidance as issued by the Council.
- Lewisham Homes will prepare its company and trading accounts in line with regulatory requirements, accounting best practice and its accounting policy framework

### **Payments**

- Lewisham Homes will ensure that suppliers are paid promptly within contractual payment terms and payments are accurately recorded in the Councils Ledger for managed budget payments and Lewisham Homes' ledger for Lewisham Homes payments.
- All sums due between Lewisham Homes and the Council or the Council and Lewisham Homes will be paid within 30 days of date of invoice
- Late payments will accrue interest at a rate of Bank of England base rate plus 4%

### **Income**

- All income due to the Council will be credited to the Council's bank account on the day it is received if received within normal banking hours and in all other instances the following working day. All income will be correctly coded in the Council's financial systems.

### **Internal Controls**

- Lewisham Homes will maintain an effective system of financial control including appropriate segregation of duties, control account reconciliations and management checks to maintain the financial integrity of both its own and the Councils financial statements.

-Lewisham Homes will produce an annual statement of internal control which will assess the effectiveness of the Internal Control framework during the preceding financial year. The statement will be reviewed and approved by Lewisham Homes Board within 9 months of the end of the financial year.

### **Audit**

-Lewisham Homes will appoint its own auditors for External Audit and Internal Audit of its activities including its management of HRA managed budgets

-The Council will have rights of access to all audit reports commissioned by Lewisham Homes and Audit Committee reports and papers

-The Council will have the right to audit Lewisham Homes activities under the Management Agreement using its own auditors and Lewisham Homes will co-operate fully with any such audits commissioned by the Council

### **Management Fee and Service reimbursement**

-Financial forecasts for Lewisham Homes will be agreed with the Council as part of the financial forecasts and timelines set out in the preparation plan for the annual Business Plan

-Lewisham Homes will be reimbursed as follows in accordance with rates agreed with the Council and reviewed from time to time as part of the business plan review

### **Core Housing Management Services**

-Tenant management fee per unit

-Leasehold management fee per unit

### **Repairs Services**

-Schedule of rates per job as agreed with the Council

### **Asset Management Services**

-A percentage of the cost of works carried out as agreed with the Council

### **Other Services**

-Reimbursement on arrangements agreed with the Council. For example fixed fees or direct reimbursement of costs incurred

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## **Schedule 7 – Development Schedule**

### **Management Agreement 2016 – Development Delivery Arrangements**

Since May 2013, Lewisham Homes Ltd (LHL) has been responsible for delivering London Borough of Lewisham's (LBL) 'New Homes, Better Places' new build development programme. This schedule revises and strengthens the arrangements for this delivery role as part of the 2016 renewal of the Lewisham Homes management agreement.

#### **Responsibilities**

LBL has appointed LHL to act as its Development Agent responsible for managing the new build development programme. LHL's responsibilities include the following functions:

1. Identify potential development sites and recommend to LBL for approval to proceed to design and consultation.
2. Procurement of the architect, employer's agent, CDM and other professional services, in accordance with the LHL procurement procedures, with contract award approved by the Head of Development or Development Director.
3. Recommend development proposals on approved sites including layout, scale, tenure options, financial implications and benefits. Final approval of scheme design and tenure mix reserved to LBL.
4. Project management of design, consultation, pre-application and Planning application process.
5. Management of stakeholder engagement and community consultation, including statutory s105 consultation on behalf of LBL, where required.
6. Preparation of report to Mayor and Cabinet to sign-off s105 consultation, agree to proceed to formal Planning application and approve budget for full construction costs.
7. Procurement of construction contractors in accordance with the LHL procurement procedures, with contract award approved by LHL Regeneration and Investment Committee.
8. Management of project public relations and publicity, in close liaison with LBL.
9. Post-contract construction delivery including periodic site visits to ascertain progress and quality, management of the employer's agent and project team, with monthly progress reporting to LBL.
10. Post-completion management of handover of properties and Defects Liability Period.
11. Instruction of the sales and marketing agent and management of the process to achieve successful sales.

#### **Resources and Fees**

1. LHL will establish and maintain a well-resourced team of experienced development professionals.
2. LHL will assign specialist resources from its Communications, Finance, Housing Management, Home Ownership and Procurement teams to facilitate timely and effective delivery of the above responsibilities.
3. LHL shall be paid fees by LBL in order to maintain its Development Team. Fees will be capitalised against the annual HRA capital programme. Fee level to be agreed annually in advance.
4. LHL will pay consultant and construction contract spend direct from HRA budgets in line with existing major works expenditure.



## Governance

1. Overall control of the development programme rests with LBL as the client. LBL will:
  - Grant financial approval as required to deliver the programme.
  - Monitor the financial and delivery performance of each scheme against targets.
  - Respond promptly to deal with overspends against approved scheme budgets.
  - Maintain oversight of risks and mitigation actions via a formal risk register.
2. LHL will establish a Regeneration and Investment Committee to monitor delivery of the programme.
3. LHL's Development Director will have lead responsibility for performance under this agreement and will provide regular financial and delivery progress and risk management reports to LHL's Regeneration and Investment Committee and to LBL client officers.
4. LHL's Head of Development participate in regular review meetings with LBL representatives.

## Process Map and Approval stages

Stage/Task	LHL Responsibility	LBL Responsibility
Provide initial development programme brief (volume, location, tenure mix, financial parameters, etc.)		✓
Site Identification	✓	✓
<b>STAGE 1 (Sign-Off)</b> LBL Officers approval to carry out feasibility study on identified opportunity sites.		✓
Procurement of professional consultants (LHL contract awarded by Head of Development or Development Director)	✓	
Instruct capacity study	✓	
Instruct specialist surveys	✓	
Instruct sales and marketing report (if applicable)	✓	
Undertake financial appraisal and modelling	✓	
<b>STAGE 2 (Sign-Off)</b> LBL Officers approval to commence detailed design, formal pre-app planning discussions and resident consultation.		✓
Instruct detailed design	✓	
Undertake informal consultation	✓	
Submit scheme for formal pre-app discussions	✓	
Undertake formal S.105 consultation	✓	
<b>STAGE 3 (Sign-Off)</b> Mayor & Cabinet sign-off S.105 consultation, approve submission of formal Planning application and approve budget for full construction costs		✓
Submit Planning application	✓	
Procurement of contractor for build contract (through full tendering or framework mini-	✓	

competition)		
<b>STAGE 4 (Sign-Off)</b>	✓	
LHL Regeneration and Investment Committee approval to award build contract.		
Manage and monitor post-contract period	✓	
Manage handover process	✓	
Manage sales and marketing process	✓	
Prepare and submit Scheme Outturn Report to LHL's Regeneration and Investment Committee and LBL client officers	✓	
Manage Defects Liability Period (DLP)	✓	

## **Schedule 8 – Operating Protocol**

### **LONDON BOROUGH OF LEWISHAM AND LEWISHAM HOMES LIMITED PROPERTY ACQUISITION AND THE PROVISION OF TEMPORARY ACCOMODATION**

#### **1. Purpose**

- 1.1 The purpose of this document is to summarise the operational parameters and procedures that will apply to the new service to be provided by Lewisham Homes Limited (LHL), on behalf of the London Borough of Lewisham (LBL). Following the acquisition of housing property LHL will make that property available for the use of LBL for homeless clients as more particularly described in paragraph 2.2 below, and providing housing management services for those clients.
- 1.2 This document is intended to guide the operation of the acquisition programme, which it is recognised will need to operate flexibly so as to enable property purchases on the open market. It is therefore not intended to constrain the actions of LHL other than to ensure that those actions meet the policy intentions of LBL as set out at the time this programme was initiated.

#### **2 Background**

- 2.1 Lewisham, like many London local authorities, is currently experiencing acute housing and homelessness demand. This is expressed most clearly in the rapidly rising need for emergency nightly paid, bed and breakfast type accommodation for homeless households, which is both unsatisfactory for residents and very costly for the Council.
- 2.2 To that end it was agreed by the Mayor in January 2015 that LHL was to be enabled via a loan of up to £20m from LBL to purchase up to 100 properties on the open market in order that those properties will be made available as an additional means to manage the homelessness crisis. This was to be achieved either by placing homeless households into the properties as a form of temporary accommodation, or by making the properties available to households facing homelessness, thereby preventing them becoming homeless in the first place.
- 2.3 This document sets out the operational parameters for this acquisition programme. It sits alongside both the Deed of Variation to the Management Agreement and the Loan Facility Agreement, and in combination these three documents set the terms of operation for this new service to be provided by LHL.
- 2.4 As the programme develops, and as market conditions change, then it will remain possible for the parameters set out here to be revised by negotiation and the agreement of both parties.

### **3 Parameters relating to the purchase of property**

- 3.1 Currently the greatest shortfall of available property in Lewisham is for 2-bed and 3-bed properties. On that basis, LHL are required in the first instance to seek to purchase 2-bed and 3-bed properties as required which are located in the London Borough of Lewisham. The agreed ratio of these properties at the outset of this programme is 80% 2-bed properties and 20% 3-bed properties, and any variation to the composition of the target acquisitions may be agreed between the parties from time to time.
- 3.2 It is recognised that operational and financial benefits will accrue from the purchase of leasehold properties within the current management control of Lewisham Homes, and that it is reasonable to presume that these properties will also be of lower cost than other properties. Nonetheless LHL will not confine its acquisition programme solely to former Council stock, and will seek to purchase 2-bed and 3-bed properties anywhere within Lewisham including on the open market and in areas outside of LHL's current management, where those properties meet the price parameters for the programme.
- 3.3 The average price to be paid for a 2-bed property will be £230,000 and for a 3-bed property will be £300,000. This allows LHL flexibility in its acquisition programme as long as the average remains within these figures. LHL may request that LBL revise these averages from time to time taking into account current housing stock availability, demand and market conditions.
- 3.4 Where opportunities arise, on exception, to purchase properties that are either of a different unit size or in a different geographic location, then these are to be agreed in advance by negotiation with LBL. The purchase price will likewise be limited to a maximum average level across the portfolio in order to ensure that the purchase offers maximum financial benefit.
- 3.5 Regardless of the location and/or the size of the properties being acquired under this programme, LBL requires advance notice of any purchase to be made. The purpose of this is to ensure that LBL has an opportunity to review any potential issues which may arise from the purchase.. The council officers who must be informed or consulted on acquisitions are the Housing Needs Manager, the Procurement Manager, the Housing Options & Advice Manager and the Housing Policy & Partnerships Manager.
- 3.6 Any properties which fall outside the parameters of this agreement or which may cause management issues (for example units above shops) need to be authorised by LBL.. LBL will respond to a request for approval within two working days. If a quicker decision is needed to facilitate a purchase, LHL are responsible for contacting LBL officers to ensure a decision can be made. The council officers who must be informed or consulted on acquisitions are the Head of Housing Needs,

the Procurement Manager, the Housing Options & Advice Manager and the Housing Policy & Partnerships Manager.

- 3.7 LHL must take steps not to target properties currently occupied by LBL clients, for example they are not part of the Private Sector Leasing scheme as this will not add to the overall amount of temporary accommodation at the council's disposal. The exception is where the properties would be coming to the market regardless of LHL's involvement. Any approaches to owner/landlords of properties currently used by Housing Needs will be made in partnership with the LBL Procurement Manager
- 3.8 LHL must be cautious in cases where a property already has a private sector tenant who may be evicted as part of the transaction, as this may create a homeless family which LBL may have a duty to house. For example if LHL decides to speculatively target leaseholders/homeowners this may create demand and cause evictions which is contrary to the policy aims of this initiative. The exception is where the properties would be coming to the market regardless of LHL's involvement
- 3.9 LHL is encouraged to build its networks and capacity to acquire vacant properties at auction, through agents and other means where it may be able to use its buying power and property expertise to acquire and refurbish properties.
- 3.10 LHL should not acquire properties in live regeneration schemes where the council already has in place measures to buy back leasehold properties. This does not apply to strategic development areas where regeneration is not likely to start for some years, but the Council must be consulted on these as per 3.6.
- 3.11 All properties purchased through this programme will meet LHL's lettable standards.

#### **4 Parameters relating to the nomination to, and management of, property**

- 4.1 LBL will have 100 per cent nominations to the properties purchased through this project.
- 4.2 LBL will make the decision on the use of the properties either for prevention or accepted homeless cases. LHL will let properties to these households on as per the matrix below, and it is expected that tenants will remain in the allocated properties for a maximum period of two years at which point they will be resettled into the private rented sector supported by LHL.

#### **Tenancy Agreement Matrix**

Type of case	Tenancy agreement type
Prevention	Assured Shorthold Tenancy
Homeless cases	Contractual Tenancy Agreement

- 4.3 Properties will be allocated following the council's existing procedures of allocating to temporary accommodation.
- 4.4 Properties are to be provided unfurnished with the exception of white goods – cooker, fridge, washing machine, floor covering and window coverings. LBL will provide a guarantee a deposit to LHL for each tenancy of £1200. The sum of £1200 will be retained by LBL and LHL will let the property with no deposit. If the property is returned in good order (allowing for fair wear and tear) with no outstanding repair recharges and with a clear rent account, will be made available to the tenant [or joint tenants collectively] to allow them to provide a deposit to a private landlord at the end of their tenancy.
- 4.5 Any changes to the operation of allocations and management of the properties purchased through this project are to be made following negotiation and the agreement of both parties.

## **5 Governance and management reporting**

- 5.1 The operation of this project will be overseen through the existing client management structures. It will become a standard item at the bi-monthly clienting meeting, and at that time LHL will be required to present a report on progress in purchasing properties, alongside any issues or similar that have presented in relation to housing management.
- 5.2 In addition, LHL will be required to provide management information to LBL on a monthly basis, so that progress in delivering this project can be monitored as a part of the Council's performance monitoring regime. The indicators to be reported will be:
- Number of properties that have been acquired to date
  - Number of properties under offer
  - The average price of the properties acquired to date
  - Number of tenants who have been resettled into the private rented sector

## **6 Change in the Law**

- 6.1 In the event that there is a change in the law which materially affects LHL's ability to perform its obligations under this Protocol or otherwise increases the cost of delivering any element of its obligations, LBL shall meet with LHL to agree a strategy for managing and mitigating

any additional risks, financial or otherwise, whilst maintaining its policy objectives.

## **7 Variations**

7.1 That Protocol can be varied with the agreement of both parties

## Annex 1 - Business Plan Format

Lewisham Homes will prepare an annual business plan which will be subject to major review with the Council every 3 years.

The Business Plan will incorporate

- Strategic Objectives
- Key delivery tasks to achieve the objectives
- Performance Indicators
- The Councils HRA 30 year forecasts
- 5 year operational financial forecasts for:
  - The HRA
  - HRA managed budgets
  - HRA capital programme
  - HRA new build programme
  - Lewisham Homes company Budgets
  - Lewisham Homes trading account budgets
- A preparation plan and timetable for preparation of the business plan will be agreed by the first of April for the business plan to be completed by the 1st of April in the following year. The timetable will set out the preparation timeline and governance approval timeline and consultation arrangements for agreeing the plan.
- Budget preparation guidance will be agreed with the Council as part of the preparation plan

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